

WEANER PIG AGREEMENT

THIS AGREEMENT IS ENTERED THIS _____ DAY OF _____, 19____, BY
AND BETWEEN _____

_____, AS BROKER, HEREINAFTER CALLED "COOP"; AND
_____, OF _____, HEREINAFTER
CALLED "SELLER", AND _____ OF _____
_____, HEREINAFTER CALLED "BUYER".

Recitals

WHEREAS, COOP DESIRES TO BROKER THE SALE OF HIGH QUALITY WEANER PIGS PRODUCED BY SELLER FOR SALE TO BUYER, AND AS BROKER, COOP INTENDS GIVE TO SELLER A LIMITED GUARANTY OF THE PURCHASE OF HIGH QUALITY WEANER PIGS PRODUCED BY SELLER, AND GIVE A LIMITED GUARANTY TO BUYER FOR THE DELIVERY OF HIGH QUALITY WEANER PIGS TO BUYER IN CONSIDERATION FOR AN AGREEMENT BETWEEN SELLER AND COOP FOR THE SALE OF A SPECIFIED NUMBER OF HIGH QUALITY WEANER PIGS BY SELLER TO A BUYER DESIGNATED BY COOP, AND THE AGREEMENT TO PURCHASE HIGH QUALITY WEANER PIGS BROKERED BY COOP BY BUYER, AND FURTHER IN CONSIDERATION FOR A BROKERAGE FEE PAID BY BUYER TO COOP;

WHEREAS, SELLER IS ENGAGED IN THE PRODUCTION AND SALE OF WEANER PIGS OWNED BY THE SELLER, AND SELLER OWNS AND OPERATES A _____ UNIT FARROWING FACILITY LOCATED IN _____ (THE SELLER'S FACILITIES), AND IS COMMITTED TO BREEDING AND RAISING CONSISTENTLY UNIFORM, LEAN, HIGHHEALTH STATUS, SPECIFIED GENETIC WEANER PIGS FOR SALE;

WHEREAS, BUYER OWNS OR OPERATES NURSERY FACILITIES (BUYER'S FACILITIES) AND DESIRES TO USE COOP'S BROKERAGE SERVICES TO PURCHASE HIGH QUALITY WEANER PIGS FROM SELLER, AND DESIRES TO PAY A BROKERAGE FEE TO COOP FOR SUCH SERVICES;

WHEREAS, COOP DESIRES TO ENTER THIS "WEANER PIG AGREEMENT" AS A THREE PARTY AGREEMENT BETWEEN SELLER, COOP, AND BUYER, HOWEVER, AS A PRACTICAL MATTER IT MAY BE NECESSARY FOR COOP TO ENTER THIS AGREEMENT AS A TWO PARTY AGREEMENT BETWEEN COOP AND EITHER BUYER OR SELLER WHEREIN ALL OF THE TERMS AND PROVISIONS OF THIS AGREEMENT BY AND BETWEEN THE COOP AND THE BUYER, OR THE COOP AND THE SELLER WOULD BE IN FULL FORCE AND EFFECT, INCLUDING THE GUARANTY BY COOP TO EITHER BUYER OR SELLER, AS THE CASE MAY BE, AT THE TIME OF THE EXECUTION OF THIS AGREEMENT BY COOP AND EITHER BUYER OR SELLER, AND AT A LATER TIME, UPON THE EXECUTION OF THIS AGREEMENT AND RATIFICATION OF THE SAME BY THE THIRD PARTY TO THIS AGREEMENT, THE REMAINING TERMS AND PROVISIONS AS BETWEEN ALL THREE PARTIES SHALL BE IN FULL FORCE AND EFFECT.

Witnesseth

NOW THEREFORE, IN CONSIDERATION FOR THE FOREGOING RECITALS AND THE FOLLOWING TERMS, PROVISIONS, COVENANTS AND WARRANTIES, THE PARTIES AGREE:

1. SELLER AGREES TO SELL TO BUYER F.O.B. SELLER'S FACILITIES, THROUGH COOP AS BROKER, _____ QUALIFYING WEANER PIGS PER YEAR (PLUS OR MINUS 10%), OF THE QUALITY, AND WITH THE WARRANTIES, AND FOR THE TERM AS DEFINED HEREIN. SELLER FURTHER AGREES TO PURCHASE FEED OR FEED INGREDIENTS FROM COOP AS SET FORTH HEREINAFTER.

2. BUYER AGREES TO BUY FROM SELLER, THROUGH COOP AS BROKER, A MINIMUM OF _____ QUALIFYING WEANER PIGS EVERY _____ DURING THE TERM OF THIS AGREEMENT, AND AGREES TO PAY THE PIG PRICE AND BROKERAGE FEE ACCORDING TO THE TERMS HEREOF. BUYER FURTHER AGREES TO PURCHASE FEED OR FEED INGREDIENTS FROM COOP FOR SAID PIGS AS PROVIDED HEREINAFTER.

3. COOP AGREES TO BROKER THE SALE AND PURCHASE OF WEANER PIGS FROM SELLER TO BUYER, AND IN CONSIDERATION FOR THE RIGHT TO BROKER WEANER PIGS PRODUCED BY SELLER, AND PAYMENT OF THE BROKERAGE FEE BY BUYER, COOP AGREES TO GRANT TO SELLER AND BUYER A LIMITED GUARANTY OF THE PURCHASE OF QUALIFYING WEANER PIGS BY BUYER FROM SELLER, AND DELIVERY OF QUALIFYING WEANER PIGS BY SELLER TO BUYER, ALL AS SPECIFICALLY PROVIDED HEREIN.

4. IN CONSIDERATION FOR THE SERVICES PERFORMED BY BROKER TO SELLER AND BUYER, SELLER AGREES TO DEPOSIT WITH BROKER A DELIVERY SECURITY FEE IN THE SUM OF \$_____, AND BUYER AGREES TO DEPOSIT WITH BROKER A PIGS RIGHTS FEE IN THE SUM OF \$_____ WHICH SECURITY DEPOSITS RETAINED DURING THE TERM OF THIS AGREEMENT BY COOP AS SPECIFICALLY PROVIDED HEREIN.

5. THIS WEANER PIG AGREEMENT INCLUDES ALL OF THE TERMS, PROVISIONS, GUARANTIES, COVENANTS AND WARRANTIES AND DISCLAIMERS OF WARRANTIES, INCLUDED IN APPENDIX "A", "B" AND "C". ANY CONTRADICTIONS BETWEEN THE ABOVE STATED TERMS AND PROVISIONS AND THE TERMS AND PROVISIONS INCLUDED IN APPENDIX "A", "B", AND "C", SHALL BE RESOLVED IN FAVOR OF THE TERMS AND PROVISIONS IN THE APPENDIXES. EACH PARTY TO THIS AGREEMENT ACKNOWLEDGES AT THE TIME OF SIGNING THIS AGREEMENT THAT THEY HAVE READ AND UNDERSTAND ALL OF THE TERMS AND PROVISIONS CONTAINED IN THE APPENDIXES.

THIS AGREEMENT SHALL BE BINDING UPON THE PARTIES HERETO, AND UPON THEIR SUCCESSORS, ASSIGNS, HEIRS, DEVISEES, AND PERSONAL REPRESENTATIVES.

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE EXECUTED THIS AGREEMENT EFFECTIVE ON AND AFTER THE DAY EACH PARTY HAS EXECUTED THIS AGREEMENT.

COOP

"COOP", effective this ____ day
of _____, 199__.

BY _____

SELLER

_____, "SELLER",
effective this ____ day of
_____, 199__,

BY _____
(SELLER)

BUYER

_____, (BUYER),
effective this ____ day of
_____, 199__.

BY _____
(BUYER)

WEANER PIG AGREEMENT

Exhibit "A"

1. **BROKER FOR SALE OF PIGS:** COOP AGREES TO BROKER FOR SELLER _____ QUALIFYING WEANER PIGS PER YEAR, PLUS OR MINUS TEN PERCENT (10%). SELLER AGREES TO PROVIDE TO COOP FROM SELLER'S FACILITIES FOR SALE TO BUYER _____ QUALIFYING WEANER PIGS PER YEAR, PLUS OR MINUS TEN PERCENT (10%). IN THE EVENT THAT COOP ENTERS THIS AGREEMENT WITH SELLER WITHOUT THE EXECUTION OR RATIFICATION OF THIS AGREEMENT BY BUYER, THE TERMS AND PROVISIONS OF THIS AGREEMENT AS THE SAME PERTAIN TO THE DUTIES AND OBLIGATIONS OF THE SELLER TO COOP, AND THE COOP TO SELLER, SHALL BE IN FULL FORCE AND EFFECT AT THE TIME SELLER AND COOP EXECUTE THIS AGREEMENT. SUCH A TWO PARTY AGREEMENT SHALL BE CALLED HEREINAFTER AN "OPEN CONTRACT".

2. **PURCHASE/SALE OF PIGS:** COOP AGREES TO PROVIDE TO BUYER FOR BUYER'S PURCHASE FROM SELLER, AND BUYER AGREES TO PURCHASE FROM SELLER FOR BUYER'S PURCHASE FROM SELLER A MINIMUM OF _____ QUALIFYING WEANER PIGS EVERY _____ DURING THE TERM OF THIS AGREEMENT. (EACH DELIVERY SHALL HEREINAFTER BE REFERRED TO AS A "LOT").

3. **QUALIFYING WEANER PIGS:** THE TERM "QUALIFYING PIGS" SHALL MEAN ALL GRADE ONE PIGS, AND ALL SUBSTANDARD PIGS ACCEPTED BY BUYER.

4. **INSPECTION AND GRADING OF PIGS:** BUYER SHALL INSPECT AND GRADE ALL PIGS LOADED AND DELIVERED TO BUYER WITHIN TWENTY-FOUR HOURS OF LOADING. ALL PIGS SHALL BE GRADED AS FOLLOWS:

A. **GRADE ONE PIGS:** GRADE ONE PIGS SHALL BE ALL PIGS AGED 12-19 DAYS AS OF THE DATE OF LOADING, WEIGHING EIGHT POUNDS OR MORE, FREE FROM DISEASE AND FREE FROM THE FOLLOWING DEFECTS, (i) UNCASTRATED OR FRESHLY CASTRATED, (ii) RUPTURES, (iii) COUGHING, THUMPING, OR SCOURING PIGS, (iv) LAME-STIFF PIGS, MALFORMED JOINTS OR OBSERVABLE ABSCESES, (v) FRESHLY CUT OR UNHEALED WOUNDS, AND (vi) PROLAPSE.

B. **SUBSTANDARD PIGS:** SUBSTANDARD PIGS SHALL BE ALL PIGS AGED 12-19 DAYS AS OF THE DATE OF DELIVERY, WEIGHING LESS THAN EIGHT POUNDS, FREE OF DISEASE AND FREE OF THE FOLLOWING DEFECTS, (i) RUPTURES, (ii) LAME-STIFF PIGS, MALFORMED JOINTS OR OBSERVABLE ABSCESES, AND (iii) PROLAPSED. IN THE EVENT, THE NUMBER OF SUBSTANDARD PIGS EXCEEDS TWO (2%) PERCENT OF THE TOTAL NUMBER OF PIGS LOADED AND DELIVERED TO BUYER AT ANY ONE TIME, SELLER MAY ELECT TO WITHDRAW THE SUBSTANDARD PIGS FROM THE SALE OF QUALIFYING PIGS, AND RETAIN OWNERSHIP OF THE SAME, AT WHICH TIME, BUYER SHALL RETAIN POSSESSION OF SAID SUBSTANDARD PIGS FOR THE BENEFIT OF SELLER, AND SELLER SHALL PAY TO BUYER \$ _____ PER SUBSTANDARD PIG FOR PRODUCTION COST. BUYER SHALL HOLD IN TRUST ANY PROCEEDS FROM THE SALE OF SUCH SUBSTANDARD PIG FOR THE BENEFIT OF SELLER,

AND SHALL WITHIN 48 HOURS OF THE SALE OF THE SAME, REMIT THE SALE PROCEEDS TO SELLER. ANY SUBSTANDARD PIG IN WHICH OWNERSHIP IS RETAINED BY THE SELLER UNDER THE PROVISIONS OF THIS SUBPARAGRAPH SHALL NOT BE COUNTED AS PART OF THE QUANTITY OF QUALIFYING PIGS DELIVERED UNDER THIS AGREEMENT.

C. REJECTS: REJECTS SHALL BE ALL DEAD, DISEASED OR DAMAGED PIGS OR PIGS HAVING ANY OF THE FOLLOWING DEFECTS AT THE TIME OF BUYER'S INSPECTION OF THE SAME: (i) RUPTURES, (ii) AGED 20 DAYS OR OLDER AS OF THE DATE OF LOADING, (iii) LAME-STIFF PIGS, MALFORMED JOINTS OR OBSERVABLE ABSCESSSES, OR (iv) PROLAPSE. ALL REJECTS SHALL BE DESTROYED AND SHALL NOT BE COUNTED AS PART OF THE QUANTITY OF QUALIFYING PIGS DELIVERED UNDER THIS AGREEMENT.

5. DELIVERY: SELLER SHALL SELL THE QUALIFYING WEANER PIGS TO BUYER F.O.B. THE SELLER'S FACILITIES AS DESIGNATED BY COOP. TRANSPORTATION OF THE QUALIFYING WEANER PIGS FROM SELLER'S FACILITIES SHALL BE AT BUYER'S SOLE EXPENSE AND RISK, AND SHALL BE PROVIDED BY A THIRD PARTY CARRIER AS MUTUALLY AGREED BY AND BETWEEN THE PARTIES TO THIS AGREEMENT.

6. PRICING: THE PRICE FOR ALL GRADE ONE PIGS DELIVERED BY SELLER SHALL BE AN AMOUNT EQUAL TO THE PIG PRICE (AS HEREINAFTER DEFINED) PLUS OR MINUS THE WEIGHT ADJUSTMENT (AS HEREINAFTER DEFINED) MINUS THE NATIONAL PORK CHECK OFF. ALL SUBSTANDARD PIGS DELIVERED BY SELLER UNDER THIS AGREEMENT SHALL BE PURCHASED AT A PRICE EQUAL TO 75% OF THE PURCHASE PRICE FOR GRADE ONE PIGS.

EXAMPLES OF PAYMENT CALCULATIONS ARE ATTACHED HERETO AS APPENDIX "C", EXAMPLES I AND II.

7. PIG PRICE: THE PIG PRICE SHALL BE DETERMINED BY USING THE FOLLOWING FORMULA:

$$\frac{1.95 \times \text{IA/SO. MINN. AVE BUTCHER PRICE } \$ 50 \text{ LBS } \times \text{SWINEX ADJ FACTOR } \times 65\%}{100 \text{ LBS}}$$

FOR PURPOSES OF THIS AGREEMENT, THE IA/SO. MINN. BUTCHER PRICE SHALL MEAN THE PREVIOUS FIVE WEEK ROLLING AVERAGE OF THE IOWA/SOUTHERN MINNESOTA BUTCHER PRICE AS QUOTED BY THE FARM AND FOODS COST-PLUS PRICING MODEL FOR FARMLAND HOGS.

FOR PURPOSES OF THIS AGREEMENT, THE SWINEX ADJUSTMENT FACTOR SHALL MEAN THE WEEKLY ADJUSTMENT THAT WILL BE MADE TO ALLOW FOR THE TRADITIONAL MARKET HIGHS AND LOWS, AS SET FORTH IN THE SWINEX ADJUSTMENT FACTOR TABLE ATTACHED HERETO AS APPENDIX "B".

8. WEIGHT ADJUSTMENT: TO THE EXTENT THE AVERAGE WEIGHT OF THE QUALIFYING PIGS IN EACH LOT DELIVERED BY SELLER UNDER THIS AGREEMENT EXCEEDS 11 POUNDS, SELLER SHALL BE PAID TEN CENTS (.10) FOR EACH ONE-TENTH (1/10TH) OF A POUND THAT THE AVERAGE WEIGHT PER PIG OF THE LOT EXCEEDS 11 POUNDS. TO THE EXTENT THE AVERAGE WEIGHT OF THE QUALIFYING PIGS IN EACH LOT DELIVERED BY THE SELLER UNDER THIS AGREEMENT IS LESS THAN 11 POUNDS, TEN CENTS (.10) SHALL BE

DEDUCTED FOR EACH ONE-TENTH (1/10TH) OF A POUND THAT THE AVERAGE WEIGHT PER PIG IS 8 POUNDS OR MORE, BUT LESS THAN 11 POUNDS.

9. **BROKERAGE FEE:** IN CONSIDERATION OF COOP'S BROKERAGE SERVICES TO BUYER, AND IN ADDITION TO THE PIG PRICE, BUYER SHALL PAY TO COOP THE FOLLOWING FEE:

A. A BROKERAGE FEE OF \$.75 PER QUALIFYING WEANER PIG PURCHASED PURSUANT TO THIS AGREEMENT, PAYABLE TO COOP BY BUYER AT THE TIME OF DELIVERY OF EACH LOT.

B. COOP SHALL CREDIT AN ESCROW ACCOUNT OWNED BY COOP WITH THE SUM OF \$.50 PER QUALIFYING WEANER PIG UPON WHICH A BROKERAGE FEE OF \$.75 PER QUALIFYING WEANER PIG IS PAID ALL BUYERS TO COOP UNTIL SUCH TIME THAT SAID ESCROW OWNED BY COOP IS EQUAL TO \$10.00 PER HEAD OF QUALIFYING WEANER PIGS WHICH COOP HAS AGREED TO BROKER FOR ALL SELLERS UNDER "OPEN CONTRACTS".

C. AT SUCH TIME THAT COOP HAS ACCUMULATED THE TOTAL SUM OF \$10.00 IN ESCROW PER QUALIFYING WEANER PIG UNDER OPEN CONTRACTS BETWEEN ALL SELLERS OF QUALIFYING WEANER PIGS AND COOP, THEN COOP SHALL REDUCE THE BROKERAGE FEE PAYABLE BY ALL BUYERS TO COOP, UPON WRITTEN NOTICE BY COOP TO ALL BUYERS, TO \$.25 PER QUALIFYING WEANER PIG PURCHASED PURSUANT TO THIS AGREEMENT. NOTICE BY COOP TO ALL BUYERS SHALL BE EFFECTIVE AS OF THE DATE THAT SAID NOTICE IS MAILED BY COOP TO BUYERS AT THEIR LAST KNOWN ADDRESSES TO COOP. THE REDUCED BROKERAGE FEE OF \$.25 PER QUALIFYING WEANER PIG SHALL BE PAYABLE BY BUYER TO COOP UPON DELIVER OF EACH LOT OF QUALIFYING WEANER PIGS TO BUYER. SUCH REDUCED BROKERAGE FEE SHALL BE OFFERED AND NOTICED BY COOP TO ALL BUYERS OF QUALIFYING WEANER PIGS ONLY DURING THE PERIODS OF TIME THAT COOP HAS ACCUMULATED IN SAID ESCROW OWNED BY COOP THE TOTAL SUM OF \$10.00 PER QUALIFYING WEANER PIGS UNDER OPEN CONTRACT WITH COOP. IN THE EVENT THAT SUBSEQUENT TO SAID NOTICE BY COOP TO ALL BUYERS OF A REDUCED BROKERAGE FEE, COOP, FOR WHATEVER REASON, AND IN THE SOLE DISCRETION OF COOP, DETERMINES THAT THE ESCROW OWNED BY COOP IS LESS THAN \$10.00 PER QUALIFYING WEANER PIG UNDER OPEN CONTRACT WITH COOP, THEN THE REDUCED BROKERAGE FEE SHALL TERMINATE UPON NOTICE BY COOP TO ALL BUYERS, AND BUYER SHALL PAY THE ABOVE AGREED BROKERAGE FEE OF \$.75 PER QUALIFYING WEANER PIG DELIVERED BY SELLER TO BUYER UNDER THIS AGREEMENT. NOTICE OF THE TERMINATION OF THE REDUCED BROKERAGE FEE BY COOP TO ALL BUYERS SHALL BE EFFECTIVE UPON THE DATE THAT SUCH WRITTEN NOTICE IS MAILED BY COOP TO BUYERS AT THEIR LAST KNOWN ADDRESSES TO COOP.

D. THE ESCROW FUND HEREIN IDENTIFIED SHALL BE OWNED SOLELY BY COOP, AND NEITHER THE SELLER NOR THE BUYER UNDER THIS AGREEMENT SHALL HAVE ANY RIGHT, TITLE OR INTEREST IN THE SAME. IN THE EVENT THAT COOP INCURS ANY EXPENSE OR LOSS, OF WHATEVER KIND OR NATURE, IN TRANSPORTING, PURCHASING, PAYMENT OF ANY GUARANTY FUNDS TO SELLER, CARING FOR, OR MARKETING ANY QUALIFYING WEANER PIGS UNDER OPEN CONTRACT BETWEEN SELLER AND COOP, COOP SHALL DEFRAY AND PAY SUCH EXPENSES AND DAMAGES FROM THE ESCROW FUND. IF ANY SUCH PAYMENT OF EXPENSES OR DAMAGES SHALL REDUCE THE ESCROW FUND TO LESS THAN \$10.00 PER QUALIFYING WEANER PIG UNDER OPEN CONTRACT BETWEEN ALL SELLERS AND COOP, COOP SHALL GIVE NOTICE AS HEREINABOVE STATED

TO ALL BUYERS OF THE TERMINATION OF SAID REDUCED BROKERAGE FEE.
E. UPON TERMINATION OF THIS AGREEMENT, FOR WHATEVER REASON, THE COOP SHALL RETAIN THE SOLE OWNERSHIP OF THE ESCROW FUND FOR USE BY COOP.

10. PIGS RIGHTS FEE: TO SECURE THE BUYER'S PERFORMANCE OF THIS AGREEMENT, UPON EXECUTION OF THIS AGREEMENT BY BUYER, BUYER SHALL PAY TO COOP A SECURITY DEPOSIT EQUAL TO \$6.00 TIMES THE NUMBER OF HEAD CAPACITY OF BUYER'S FACILITIES, WHICH THE PARTIES AGREE IS _____ HEAD. IN THE EVENT THAT BUYER FULLY PERFORMS ALL OF THE TERMS, PROVISIONS, COVENANTS AND WARRANTIES ON BUYER'S PART TO BE PERFORMED UNDER THIS AGREEMENT, THE PIG RIGHTS FEE SHALL BE REFUNDED TO BUYER UPON THE EXPIRATION OF THE TERM OF THIS AGREEMENT, WITH INTEREST PAID AT AN ANNUAL PERCENTAGE RATE EQUAL TO A 12 MONTH CERTIFICATE OF DEPOSIT RATE AS DETERMINED BY THE COOP, AND ADJUSTED YEARLY IN THE MONTH OF FEBRUARY. IN THE EVENT THAT BUYER FAILS OR REFUSES TO PERFORM BUYER'S PART OF THE TERMS AND PROVISIONS, COVENANTS AND WARRANTIES OF THIS AGREEMENT, COOP SHALL SET-OFF AGAINST SAID SECURITY DEPOSIT, TO THE EXTENT OF THE DEPOSIT, ALL EXPENSES AND DAMAGES INCURRED BY COOP WHICH DAMAGES AND EXPENSES WERE REASONABLY NECESSARY FOR COOP TO INCUR IN PERFORMING THE BUYER'S DUTIES AND OBLIGATIONS UNDER THIS AGREEMENT WHICH BUYER FAILED OR REFUSED TO PERFORM. SUCH EXPENSES AND DAMAGES MAY INCLUDE, BUT ARE NOT LIMITED TO, THE PURCHASE BY COOP OF THE QUALIFYING WEANER PIGS AGREED TO BE PURCHASED BY BUYER FROM SELLER UNDER THIS CONTRACT, TRANSPORTATION EXPENSES, DAMAGES OR LOSSES RESULTING FROM THE ASSUMPTION OF THE RISK OF ACCEPTING DELIVERY OF QUALIFYING WEANER PIGS FROM SELLER, AND PAYMENT OF BROKERAGE FEES. COOP SHALL, PRIOR TO SET-OFF AGAINST SAID SECURITY DEPOSIT, GIVE WRITTEN NOTICE TO BUYER AT BUYER'S LAST KNOWN ADDRESS TO COOP, OF THE DEFAULT BY BUYER IN BUYER'S PERFORMANCE OF BUYER'S DUTIES AND OBLIGATIONS, COVENANTS AND WARRANTIES UNDER THIS AGREEMENT, AND OF COOP'S INTENTION TO SET-OFF AGAINST SAID SECURITY DEPOSIT SUCH EXPENSES AND DAMAGES. THE NOTICE SHALL BE EFFECTIVE UPON COOP'S MAILING OF THE SAME TO BUYER CERTIFIED U.S. MAIL, POSTAGE PREPAID. COOP SHALL GIVE TO BUYER IN SAID NOTICE, TEN DAYS FROM THE DATE OF MAILING SAID NOTICE TO CURE THE DEFAULT IDENTIFIED IN SAID NOTICE BY PERFORMING THE DUTY OR OBLIGATION OF BUYER WHICH IS IN DEFAULT. COOP'S RIGHT TO SET-OFF AGAINST THE SECURITY DEPOSIT OF THE BUYER SHALL BE IN ADDITION TO THE OTHER RIGHTS OR REMEDIES WHICH COOP OR SELLER OR BOTH MAY HAVE AGAINST THE BUYER IN THE EVENT OF BUYER'S DEFAULT UNDER THIS AGREEMENT.

11. DELIVERY SECURITY FEE: TO SECURE THE SELLER'S PERFORMANCE OF THIS AGREEMENT, UPON EXECUTION OF THIS AGREEMENT BY SELLER, SELLER SHALL PAY TO COOP A SECURITY DEPOSIT EQUAL TO \$6.00 TIMES THE NUMBER OF HEAD OF EXPECTED PRODUCTION OF QUALIFIED WEANER PIGS FROM SELLER'S FACILITIES FOR A PERIOD OF FOUR WEEKS, WHICH THE PARTIES HERETO AGREE SHALL BE _____ HEAD. IN THE EVENT THAT SELLER FULLY PERFORMS ALL OF THE TERMS, PROVISIONS, COVENANTS AND WARRANTIES ON SELLER'S PART TO BE PERFORMED UNDER THIS AGREEMENT, THE DELIVERY SECURITY FEE SHALL BE REFUNDED TO SELLER UPON THE

EXPIRATION OF THE TERM OF THIS AGREEMENT, WITH INTEREST PAID AT AN ANNUAL PERCENTAGE RATE EQUAL TO A 12 MONTH CERTIFICATE OF DEPOSIT RATE AS DETERMINED BY THE COOP, AND ADJUSTED YEARLY IN THE MONTH OF FEBRUARY. IN THE EVENT THAT SELLER FAILS OR REFUSES TO PERFORM SELLER'S PART OF THE TERMS AND PROVISIONS, COVENANTS AND WARRANTIES OF THIS AGREEMENT, COOP SHALL SET-OFF AGAINST SAID SECURITY DEPOSIT, TO THE EXTENT OF SAID DEPOSIT, ALL EXPENSES AND DAMAGES INCURRED BY COOP WHICH DAMAGES AND EXPENSES WERE REASONABLY NECESSARY FOR COOP TO INCUR IN PERFORMING THE SELLER'S DUTIES AND OBLIGATIONS UNDER THIS AGREEMENT WHICH SELLER FAILED OR REFUSED TO PERFORM. SUCH EXPENSES AND DAMAGES MAY INCLUDE, BUT ARE NOT LIMITED TO, THE COVER BY COOP OF QUALIFYING WEANER PIGS AGREED TO BE PROVIDED BY SELLER TO BUYER UNDER THIS CONTRACT, TRANSPORTATION EXPENSES, DAMAGES OR LOSSES RESULTING FROM THE ASSUMPTION OF THE RISK OF ACCEPTING DELIVERY OF QUALIFYING WEANER PIGS BY REASON OF SAID COVER, AND FEEDING AND CARE EXPENSES. COOP SHALL, PRIOR TO SET-OFF AGAINST SAID SECURITY DEPOSIT, GIVE WRITTEN NOTICE TO SELLER AT SELLER'S LAST KNOWN ADDRESS TO COOP, OF THE DEFAULT BY SELLER IN SELLER'S PERFORMANCE OF SELLER'S DUTIES AND OBLIGATIONS, COVENANTS AND WARRANTIES UNDER THIS AGREEMENT, AND OF COOP'S INTENTION TO SET-OFF AGAINST SAID SECURITY DEPOSIT SUCH EXPENSES AND DAMAGES. THE NOTICE SHALL BE EFFECTIVE UPON COOP'S MAILING OF THE SAME TO SELLER CERTIFIED U.S. MAIL, POSTAGE PREPAID. COOP SHALL GIVE TO SELLER IN SAID NOTICE, TEN DAYS FROM THE DATE OF MAILING SAID NOTICE TO CURE THE DEFAULT IDENTIFIED IN SAID NOTICE BY PERFORMING THE DUTY OR OBLIGATION OF SELLER WHICH IS IN DEFAULT. COOP'S RIGHT TO SET-OFF AGAINST THE SECURITY DEPOSIT OF THE SELLER SHALL BE IN ADDITION TO THE OTHER RIGHTS OR REMEDIES WHICH COOP OR BUYER OR BOTH MAY HAVE AGAINST THE SELLER IN THE EVENT OF SELLER'S DEFAULT UNDER THIS AGREEMENT.

12. GENETIC QUALITY: SELLER REPRESENTS AND WARRANTS THAT ALL QUALIFYING PIGS WILL BE PROGENY FROM THE FOLLOWING GENETIC STOCK, UNLESS OTHERWISE APPROVED IN WRITING BY COOP:

ANY UNAUTHORIZED DEVIATION FROM THIS WARRANTY SHALL BE CONSIDERED A MATERIAL BREACH OF THIS AGREEMENT.

13. MANAGEMENT AND HEALTH: SELLER AGREES TO COMPLY WITH THE FOLLOWING MANAGEMENT AND HEALTH PROGRAMS:

A. SELLER SHALL DOCK TAILS AND ALL TAILS SHALL BE HEALED PRIOR TO LOADING AND DELIVERY OF PIGS;

B. SELLER SHALL CASTRATE MALE PIGS AND ALL MALE PIGS SHALL BE HEALED PRIOR TO SHIPMENT;

C. SELLER SHALL BIRTH DATE TATTOO ALL PIGS;

D. SELLER SHALL USE SELLER'S BEST EFFORTS TO MAINTAIN SWINE FREE FROM PRV OR ANY SWINE DISEASE THAT WOULD PROHIBIT INTERSTATE SHIPMENT OF PIGS PRODUCED BY SELLER, OR THAT MIGHT OTHERWISE IMPAIR THE ABILITY TO UTILIZE THE PIGS TO BE PURCHASED UNDER THIS AGREEMENT. IF, IN THE OPINION OF TWO MUTUALLY ACCEPTABLE VETERINARIANS ANY OF THE SWINE PRODUCED BY SELLER OR

USED IN THE PRODUCTION OF WEANER PIGS FOR DELIVERY HEREUNDER CONTRACTS OR HAS ANY DISEASE THAT WOULD IMPAIR THE USE OF THE WEANER PIGS, COOP SHALL HAVE THE OPTION TO TERMINATE THIS AGREEMENT OR TO SUSPEND THE PERFORMANCE OF THIS AGREEMENT BY THE COOP AND THE BUYER AT ANY TIME, AND FROM TIME TO TIME, WITHOUT LIABILITY TO COOP OR BUYER TO SELLER, THE PURCHASE OF WEANER PIGS HEREUNDER UNTIL SUCH TIME AS SELLER SATISFIES COOP THAT THE DISEASE NO LONGER EXISTS OR IS NO LONGER AN IMPAIRMENT TO THE USE OF WEANER PIGS. IN THE EVENT OF TEMPORARY SUSPENSION OR TERMINATION OF THIS AGREEMENT BY COOP OF THE PERFORMANCE BY COOP AND BUYER OF THIS AGREEMENT BY REASON OF THIS SUBPARAGRAPH, SELLER SHALL REMAIN LIABLE FOR THE CONTINUED PERFORMANCE BY SELLER UNDER THE TERMS, PROVISIONS, COVENANTS AND WARRANTIES OF THIS AGREEMENT TO COOP AND TO BUYER, AND SELLER SHALL BE IN DEFAULT IN SELLER'S PERFORMANCE OF THIS AGREEMENT, SAVE AND EXCEPT FOR EVENTS OR CIRCUMSTANCES SET FORTH IN PARAGRAPH 27 HEREINAFTER.

14. NUTRITION:

A. SELLER AGREES THAT ALL COMPLETE FEEDS AND CONCENTRATES THAT SELLER PURCHASES FOR THE PURPOSE OF FEEDING PIGS TO BE DELIVERED PURSUANT TO THIS AGREEMENT AND FEED USED IN THE PRODUCTION OF SUCH DELIVERED PIGS SHALL BE PURCHASED FROM COOP. IF SELLER PREPARES ITS OWN FEEDS, THEN SELLER SHALL PURCHASE ALL FEED INGREDIENTS AND PRE-MIXES FROM COOP, IF SUCH PRODUCTS ARE COMPETITIVELY PRICED AND MEET QUALITY AND SPECIFICATION STANDARDS, AS DESCRIBED IN APPENDIX "C".

B. BUYER AGREES THAT ALL COMPLETE FEEDS AND CONCENTRATES THAT BUYER PURCHASES FOR THE PURPOSE OF FEEDING PIGS DELIVERED PURSUANT TO THIS AGREEMENT SHALL BE PURCHASED FROM COOP. IF BUYER PREPARES ITS OWN FEEDS, THEN BUYER SHALL PURCHASE ALL FEED INGREDIENTS AND PRE-MIXES FROM COOP, IF SUCH PRODUCTS ARE COMPETITIVELY PRICED AND MEET QUALITY AND SPECIFICATION STANDARDS, AS DESCRIBED IN APPENDIX "C".

15. RIGHT OF INSPECTION: COOP AND BUYER SHALL HAVE THE RIGHT TO INSPECT THE SELLER'S FACILITIES AND TO INSPECT SELLER'S RECORDS TO ASSURE THAT THE MANAGEMENT OF GENETIC, HEALTH, FEEDING PROGRAMS PRESCRIBED BY THIS AGREEMENT ARE BEING CARRIED OUT ACCORDING TO THE TERMS AND WARRANTIES OF THIS AGREEMENT. SELLER AGREES TO PROVIDE ALL SUPPORTING RECORDS UPON REQUEST.

16. HEALTH PERMITS/INSPECTIONS: SELLER SHALL PROVIDE AT SELLER'S EXPENSE, ALL HEALTH PERMITS NECESSARY TO QUALIFY ALL PIGS FOR INTERSTATE SHIPMENT.

17. WEIGHING CONDITIONS: ALL LOTS OF QUALIFYING PIGS SHALL BE WEIGHED, AT BUYER'S EXPENSE, AT A STATE-INSPECTED SCALE IMMEDIATELY FOLLOWING LOADING OF THE SAME. A PRINTED, STAMPED COPY OF ALL SCALE TICKETS WILL BE PROVIDED TO BOTH COOP AND BUYER.

18. IDENTIFICATION: SELLER SHALL APPROPRIATELY IDENTIFY,

PRIOR TO SHIPMENT, ALL QUALIFYING PIGS IN ACCORDANCE WITH THE RULES THAT ALLOW INTERSTATE SHIPMENT TO THE STATES TO WHICH THE PIGS ARE BEING SHIPPED.

19. RISK OF LOSS: SELLER SHALL HAVE THE RESPONSIBILITY OF LOADING THE QUALIFYING WEANER PIGS ON TRANSPORTATION PROVIDED BY BUYER AND SELLER SHALL BEAR THE RISK OF LOSS OF QUALIFYING WEANER PIGS TO THE TIME THE SAME ARE LOADED AT SELLER'S FACILITIES. BUYER SHALL BEAR THE EXPENSES OF PROVIDING TRANSPORTATION FROM SELLER'S FACILITIES, AND SHALL BEAR THE RISK OF LOSS OF ALL LOADED QUALIFYING WEANER PIGS FROM THE TIME OF LOADING.

20. TERM OF AGREEMENT: THE TERM OF THIS AGREEMENT BETWEEN SELLER, COOP AND BUYER SHALL COMMENCE ON THE EFFECTIVE DATE INCLUDED IN THIS AGREEMENT FOR EACH PARTY, AND SHALL CONTINUE FOR SIXTY (60) MONTHS FROM AND AFTER THE FIRST LOT OF QUALIFYING PIGS IS DELIVERED BY SELLER TO BUYER OR COOP, AS THE CASE MAY BE, WHICH SHALL BE NO LATER THAN . THIS AGREEMENT MAY BE RENEWED FOR SUCCESSIVE TERMS OF TWELVE (12) MONTHS IF ANY PARTY HERETO SHALL GIVE TO THE OTHER PARTIES WRITTEN NOTICE OF ITS DESIRE TO RENEW THIS AGREEMENT AT LEAST 60 DAYS PRIOR TO THE EXPIRATION OF THE CURRENT TERM, AND THE OTHER PARTIES CONSENT TO THE RENEWAL BY GIVING WRITTEN NOTICE OF SUCH CONSENT AT LEAST 30 DAYS PRIOR TO THE EXPIRATION OF THE THEN CURRENT TERM. ABSENT SUCH NOTICE AND CONSENT TO RENEW, THIS AGREEMENT SHALL TERMINATE ON THE EXPIRATION DATE OF THE THEN CURRENT TERM.

21. COOP GUARANTIES:

A. TO SELLER: IN CONSIDERATION FOR THE EXECUTION OF THIS AGREEMENT BY SELLER, COOP GUARANTIES THE PAYMENT TO SELLER OF THE PIG PRICE HEREIN IDENTIFIED FOR THE QUALIFYING WEANER PIGS PRODUCED AND PROVIDED BY SELLER UNDER THE TERMS OF THIS AGREEMENT, NOT EXCEEDING, HOWEVER, THE PIG PRICE FOR THE NUMBER OF HEAD OF QUALIFYING WEANER PIGS IDENTIFIED IN PARAGRAPH (1) HEREIN FOR ONE YEAR. UPON THE EXECUTION OF THIS AGREEMENT BY BUYER, COOP GUARANTIES THE PAYMENT BY BUYER TO SELLER OF THE PIG PRICE FOR QUALIFYING WEANER PIGS PRODUCED AND PROVIDED BY SELLER TO BUYER UNDER THE TERMS OF THIS AGREEMENT, NOT EXCEEDING, HOWEVER, THE NUMBER OF QUALIFYING WEANER PIGS IDENTIFIED IN PARAGRAPH (1) HEREIN FOR ONE YEAR.

B. TO BUYER: IN CONSIDERATION FOR THE EXECUTION OF THIS AGREEMENT BY BUYER, COOP GUARANTIES THE DELIVERY F.O.B. SELLER'S FACILITIES, OR LIKE FACILITIES AS DESIGNATED BY COOP, TO BUYER OF QUALIFYING WEANER PIGS AGREED TO BE PURCHASED BY BUYER UNDER THE TERMS AND PROVISIONS OF THIS AGREEMENT, NOT EXCEEDING HOWEVER, THE NUMBER OF QUALIFYING WEANER PIGS AS IDENTIFIED IN PARAGRAPH 11 HEREIN. UPON EXECUTION OF THIS AGREEMENT BY SELLER, COOP GUARANTIES TO BUYER DELIVERY, F.O.B. SELLER'S FACILITIES, OF SELLER'S DELIVERY OF THE NUMBER OF QUALIFYING WEANER PIGS TO BE DELIVERED BY SELLER TO BUYER UNDER THE TERMS AND PROVISIONS OF THIS AGREEMENT, NOT EXCEEDING HOWEVER, THE NUMBER OF QUALIFYING WEANER PIGS AS IDENTIFIED IN PARAGRAPH (11) HEREIN.

C. EXCEPT AS SPECIFICALLY SET FORTH IN THIS PARAGRAPH (PARAGRAPH 21) THE PARTIES HERETO SPECIFICALLY AGREE THAT RECOVERY AGAINST COOP FOR BREACH OF THIS AGREEMENT BY EITHER COOP, SELLER OR BUYER, IS SPECIFICALLY AND EXCLUSIVELY LIMITED TO RECOVERY OF THE GUARANTY MADE BY COOP TO THE SELLER OR BUYER AS IDENTIFIED IN THIS PARAGRAPH (PARAGRAPH 21), AND REPAYMENT OF THE SECURITY DEPOSIT (PIGS RIGHTS FEE OR DELIVERY SECURITY FEE) PAID BY THE NON-DEFAULTING PARTY TO THE COOP.

22. SELLER'S WARRANTIES:

A. SELLER WARRANTS THAT THE QUALIFIED WEANER PIGS SOLD HEREUNDER TO BUYER, OR COOP IN THE EVENT COOP MUST COVER FOR BUYER, ARE OWNED BY THE SELLER, AND THAT SELLER HAS THE AUTHORITY TO SELL THE SAME, AND THAT SAID QUALIFIED WEANER PIGS SOLD PURSUANT TO THIS AGREEMENT, ARE SOLD FREE AND CLEAR OF ALL LIENS AND ENCUMBRANCES. SELLER FURTHER AGREES TO INDEMNIFY AND HOLD HARMLESS THE BUYER, AND COOP, OR THEIR ASSIGNS, FROM ALL DAMAGES OR EXPENSES, OF WHATEVER KIND OR NATURE, ARISING OR WHICH MAY ARISE BY REASON SELLER'S FAILURE TO SELL AND DELIVER SAID QUALIFYING WEANER PIGS FREE AND CLEAR OF ENCUMBRANCES.

B. SELLER FURTHER WARRANTS TO BUYER AND COOP THAT THE WEANER PIGS DELIVERED PURSUANT TO THIS AGREEMENT ARE:

- i. QUALIFYING WEANER PIGS;
- ii. ARE OF THE GENETIC QUALITY AS WARRANTED BY THIS AGREEMENT;
- iii. ARE PRODUCED IN ACCORDANCE WITH THE MANAGEMENT AND HEALTH AND NUTRITION REQUIREMENTS OF THIS AGREEMENT, AND
- iv. ARE IN GOOD AND MERCHANTABLE CONDITION UPON DELIVERY OF THE SAME TO BUYER OR COOP.

C. SELLER FURTHER WARRANTS AND COVENANTS TO COOP THAT UPON EXECUTION OF THIS AGREEMENT BY SELLER, THAT SELLER SHALL HOLD COOP HARMLESS AND INDEMNIFY COOP FOR ANY DAMAGES OR LOSSES TO COOP, OF WHATEVER KIND OR NATURE, INCLUDING ATTORNEY FEES AND COSTS, WHICH ARISE OR MAY ARISE IN THE FUTURE, WHETHER KNOWN OR UNKNOWN, BY REASON OF SELLER'S BREACH OF THE AFORESAID WARRANTIES MADE BY SELLER TO BUYER AND COOP.

23. DISCLAIMER OF WARRANTIES:

A. BY SELLER: EXCEPT AS SPECIFICALLY SET FORTH HEREINABOVE, SELLER DISCLAIMS ALL EXPRESS WARRANTIES, INCLUDING MERCHANTABILITY OF THE WEANER PIGS, AND DISCLAIMS ALL IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OF THE WEANER PIGS.

B. BY COOP: COOP MAKES NO WARRANTIES EITHER EXPRESS OR IMPLIED INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE BREEDING STOCK, FEED, MEDICATION, OR ANIMAL PRACTICES DESCRIBED UNDER THIS AGREEMENT, AND COOP MAKES NO WARRANTIES TO BUYER, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE WEANER PIGS DELIVERED PURSUANT TO THIS AGREEMENT.

24. ACCEPTANCE OF WEANER PIGS: BUYER SHALL HAVE TWENTY-FOUR (24) HOURS FROM THE TIME THE WEANER PIGS ARE LOADED AT SELLER'S FACILITIES, OR ALTERNATE FACILITIES AS DIRECTED BY COOP, TO INSPECT AND GRADE THE WEANER PIGS AS PROVIDED HEREIN, AND ACCEPT THE WEANER PIGS DELIVERED. IN THE EVENT THAT ANY WEANER PIGS ARE NOT ACCEPTED BY BUYER AS PROVIDED IN PARAGRAPH _____ HEREIN, BUYER SHALL SO NOTIFY SELLER AND COOP WITHIN THIRTY (30) HOURS OF THE TIME THE WEANER PIGS WERE LOADED. SUCH NOTICE SHALL INCLUDE THE (1) REASON FOR NOT ACCEPTING THE WEANER PIG(S), AND THE COUNT OF WEANER PIG(S) NOT ACCEPTED. UPON THE LAPSE OF THIRTY (30) HOURS FROM THE TIME OF LOADING, BUYER SHALL HAVE NO FURTHER RIGHT TO REJECT ANY WEANER PIG(S) LOADED.

25. PAYMENT TO SELLER:

A. BY BUYER: BUYER AGREES TO DELIVER PAYMENT TO COOP FOR PAYMENT TO SELLER OF THE PIG PRICE WITHIN 48 HOURS OF THE DELIVERY OF EACH LOT OF QUALIFYING WEANER PIGS BY SELLER TO BUYER. BUYER FURTHER AGREES, THAT IN THE EVENT THAT THIS AGREEMENT HAS NOT BEEN EXECUTED BY SELLER AT THE TIME OF DELIVERY OF QUALIFIED WEANER PIGS TO BUYER PURSUANT TO THE AGREEMENT BETWEEN BUYER AND COOP, THEN BUYER SHALL WITHIN 48 HOURS OF THE DATE OF DELIVERY OF QUALIFYING WEANER PIGS, DELIVER TO COOP, OR ITS DESIGNEE, THE PAYMENT OF THE PIG PRICE AS REQUIRED BY THIS AGREEMENT.

B. BY COOP: IN THE EVENT THAT (1) SELLER HAS ENTERED THIS AGREEMENT WITH COOP, AND NO BUYER HAS JOINED IN THIS AGREEMENT AND RATIFIED THE SAME AT THE TIME OF THAT SELLER GIVES NOTICE TO COOP OF SELLER'S INTENT TO DELIVER QUALIFIED WEANER PIGS PURSUANT TO THIS AGREEMENT, THEN COOP AGREES TO PAY TO SELLER THE PIG PRICE AS PROVIDED UNDER THIS AGREEMENT. PROVIDED HOWEVER, THE TOTAL PAYMENT BY COOP TO SELLER UNDER THIS PROVISION SHALL NOT EXCEED A SUM EQUAL TO THE PIG PRICE FOR QUALIFYING PIGS TIMES THE NUMBER OF QUALIFYING PIGS FOR ONE YEAR SET FORTH IN PARAGRAPH (1) HEREIN. IN THE EVENT THAT A BUYER HAS EXECUTED THIS AGREEMENT ON OR PRIOR TO THE DATE WHEN SELLER HAS GIVEN NOTICE OF SELLER'S INTENT TO DELIVER QUALIFIED WEANER PIGS PURSUANT TO THIS AGREEMENT, AND BUYER FAILS OR REFUSES TO PAY THE PIG PRICE FOR THE SAME, THEN COOP AGREES TO PAY THE PIG PRICE FOR THE QUALIFIED WEANER PIGS EITHER DELIVERED TO BUYER, OR AVAILABLE FOR DELIVERY TO BUYER PURSUANT TO THE NOTICE OF INTENT TO DELIVER AS GIVEN BY SELLER, BUT SUCH PAYMENT SHALL NOT EXCEED A SUM EQUAL TO THE PIG PRICE FOR QUALIFYING PIGS TIMES THE NUMBER OF QUALIFYING PIGS FOR ONE YEAR SET FORTH IN PARAGRAPH (1) HEREIN.

26. EVENT OF DEFAULT: IN THE EVENT THAT ANY PARTY HERETO FAILS OR REFUSES TO PERFORM ANY TERM, PROVISION, COVENANT OR WARRANTY UNDER THIS AGREEMENT OF SAID PARTY'S PART TO BE PERFORMED, THEN THE AGGRIEVED PARTIES UNDER THIS AGREEMENT, OR ONE OF THEM, MAY DECLARE A DEFAULT IN THE PERFORMANCE OF THIS AGREEMENT. THAT EITHER OF THE AGGRIEVED PARTIES SHALL GIVE TEN DAYS NOTICE TO THE DEFAULTING PARTY TO PERFORM. THE NOTICE SHALL BE IN WRITING, AND THE TEN DAY NOTICE PERIOD SHALL COMMENCE ON THE DATE SAID WRITTEN NOTICE IS MAILED TO THE DEFAULTING PARTY BY CERTIFIED U.S. MAIL,

POSTAGE PREPAID.

A. DEFAULT BY SELLER OR BUYER: THAT IN THE EVENT THAT EITHER THE SELLER OR THE BUYER IS THE DEFAULTING PARTY, AND SUCH PARTY FAILS TO CURE THE DEFAULT WITHIN THE TEN DAY PERIOD OF NOTICE, THE AGGRIEVED PARTY OR PARTIES MAY TAKE ANY ACTION HEREIN AUTHORIZED BY SAID PARTY TO TAKE, AND MAY SPECIFICALLY ENFORCE THE TERMS AND PROVISIONS OF THIS AGREEMENT, OR MAY PURSUE ANY ACTION IN LAW OR EQUITY TO RECOVER DAMAGES FROM THE DEFAULTING PARTY INCLUDING ENFORCEMENT OF THE INDEMNITY PROVISIONS OF THIS AGREEMENT. IN THE EVENT THAT EITHER THE BUYER OR SELLER DEFAULT IN THE PERFORMANCE OF THIS AGREEMENT, AND NOTICE TO CURE IS GIVEN BY THE COOP, THE COOP MAY, IN ADDITION TO OTHER REMEDIES AVAILABLE TO IT, SET-OFF AGAINST EITHER THE PIG RIGHTS FEE OR THE DELIVERY SECURITY FEE, AS THE CASE MAY BE, TO RECOVER ANY DAMAGES SUFFERED BY SAID COOP BY REASON OF DEFAULT, AND THE DEFAULTING SELLER OR BUYER, AS THE CASE MAY BE, SHALL REMAIN LIABLE TO COOP AND THE AGGRIEVED BUYER OR SELLER FOR ANY DEFICIENCY BETWEEN THE DAMAGES AND LOSSES SUFFERED BY SAID COOP AND THE ACTUAL DAMAGES SUFFERED BY SAID COOP. IN THE EVENT OF DEFAULT BY EITHER THE BUYER OR THE SELLER, AND FAILURE TO CURE AFTER SAID NOTICE IS GIVEN TO THE DEFAULTING PARTY, THE DUTIES AND OBLIGATIONS, COVENANTS AND WARRANTIES ON THE PART OF THE AGGRIEVED PARTIES TO THE DEFAULTING PARTY AS STATED HEREIN SHALL TERMINATE, HOWEVER, THE DUTIES AND OBLIGATIONS, TERMS AND PROVISIONS, COVENANTS AND WARRANTIES, BY AND BETWEEN THE REMAINING AGGRIEVED PARTIES TO THIS AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT.

B. DEFAULT BY COOP: IN THE EVENT THAT THE COOP IS THE DEFAULTING PARTY AND THE COOP FAILS OR REFUSES TO PERFORM WITHIN THE TEN (10) DAY GRACE PERIOD, THE AGGRIEVED SELLER OR BUYER, OR BOTH MAY TAKE ANY ACTION IN LAW OR EQUITY TO RECOVER DAMAGES FROM THE COOP WHICH DAMAGES ARE SPECIFICALLY AND EXCLUSIVELY LIMITED AS SET FORTH HEREIN IN PARAGRAPH (21).

27. FORCE MAJEURE: NOTWITHSTANDING ANY OTHER PROVISION, GUARANTY, COVENANT, OR WARRANTY IN THIS AGREEMENT, ANY PARTY TO THIS AGREEMENT SHALL BE RELIEVED OF HIS, HER, THEIR, OR ITS RESPONSIBILITY AND OBLIGATIONS TO THE OTHER PARTIES TO THIS AGREEMENT WHEN PERFORMANCE OF THE TERMS, CONDITIONS, GUARANTIES, COVENANTS, OR WARRANTIES OF THIS AGREEMENT BECOME COMMERCIALY IMPOSSIBLE BECAUSE OF REASONS BEYOND SAID PARTY'S REASONABLE CONTROL, SUCH AS, BUT NOT LIMITED TO FIRE, EXPLOSION, STRIKE, ACCIDENT, GOVERNMENTAL REGULATIONS, OR INTERVENTION, AND ACTS OF GOD. SWINE HEALTH (OTHER THAN THOSE SWINE DISEASES THAT WOULD PROHIBIT LAWFUL INTERSTATE SHIPMENT OF PIGS PRODUCED BY SELLER) OR MANAGEMENT PROBLEMS THAT MAY IMPACT THE PRODUCTIVITY OF SELLER'S OPERATIONS, HOWEVER, ARE NOT AN EXCUSE FOR NONDELIVERY OF QUALIFYING PIGS UNDER THIS AGREEMENT. NOTWITHSTANDING THE ABOVE, SHOULD COOP'S PERFORMANCE BE PREVENTED OR DELAYED BY A CAUSE UNDER THIS PROVISION, COOP MAY ACCEPT SUCH A PORTION OF THE PIGS AS IT DEEMS IN ITS SOLE DISCRETION, IT CAN ECONOMICALLY PROCESS. ANY OF THE PIGS NOT ACCEPTED BY COOP SHALL AUTOMATICALLY BE RELEASED TO THE SELLER FOR SALE OR DISPOSAL ELSEWHERE.

28. NOTICES: ANY NOTICE GIVEN OR REQUIRED TO BE GIVEN HEREUNDER SHALL BE DEEMED TO HAVE BEEN DELIVERED AND EFFECTIVE UPON THE MAILING OF THE SAME BY THE PARTY FROM WHOM NOTICE IS REQUIRED TO THE PARTY TO WHOM NOTICE IS TO BE GIVEN, BY U S. MAIL, POSTAGE PREPAID TO THE LAST KNOWN ADDRESS OF THE PARTY TO WHOM NOTICE IS TO BE GIVEN AS SET FORTH BELOW. IN THE EVENT NOTICE IS REQUIRED TO BE MAILED BY CERTIFIED MAIL, POSTAGE PREPAID, THEN THE NOTICE SHALL BE EFFECTIVE UPON MAILING OF THE CERTIFIED MAIL, POSTAGE PREPAID, TO THE PARTY TO WHOM NOTICE IS TO BE GIVEN HEREUNDER.

29. ENTIRE AGREEMENT: THIS AGREEMENT CONTAINS THE ENTIRE AGREEMENT BY AND BETWEEN THE PARTIES HERETO, AND ALL PRIOR OR CONTEMPORANEOUS ORAL OR WRITTEN AGREEMENTS ENTERED BETWEEN THE PARTIES ARE MERGED HEREIN. THIS AGREEMENT MAY BE MODIFIED ONLY UPON THE WRITTEN AGREEMENT OF ALL OF THE PARTIES HERETO.

30. ASSIGNMENT: THIS AGREEMENT MAY NOT BE ASSIGNED, EXCEPT FOR COLLATERAL PURPOSES, BY ANY PARTY WITHOUT THE PRIOR WRITTEN CONSENT OF THE OTHER PARTIES TO THIS AGREEMENT.

31. BINDING EFFECT: THIS AGREEMENT SHALL BE BINDING AND IN EFFECT BETWEEN THE COOP AND EITHER THE BUYER OR SELLER, AS THE CASE MAY BE, FROM AND AFTER THE DATE OF EXECUTION OF THIS AGREEMENT BY THE COOP AND EITHER THE BUYER OR THE SELLER. THIS AGREEMENT SHALL BE BINDING AND IN EFFECT BY AND BETWEEN THE COOP, THE SELLER AND THE BUYER UPON THE EXECUTION OF THIS AGREEMENT BY THE COOP, THE BUYER AND THE SELLER. IN THE EVENT THAT THIS AGREEMENT IS FIRST EXECUTED BY AND BETWEEN THE COOP AND EITHER THE BUYER OR THE SELLER, WITHOUT THE CONTEMPORANEOUS EXECUTION OF THE AGREEMENT BY THE THIRD PARTY TO THIS AGREEMENT, AND IS LATER EXECUTED BY SAID THIRD PARTY, WHETHER SAID THIRD PARTY BE THE SELLER OR THE BUYER, THEN THE THREE PARTY AGREEMENT SHALL BE EFFECTIVE AGAINST THE LAST PARTY TO EXECUTE THE SAME, FROM AND AFTER THE DATE OF EXECUTION OF THIS AGREEMENT BY SAID PARTY. THE TERMS, PROVISIONS, COVENANTS AND WARRANTIES INCLUDED IN THIS AGREEMENT SHALL BE BINDING UPON THE PARTIES HERETO FROM AND AFTER THE DATE EACH PARTY EXECUTES THIS AGREEMENT.

APPENDIX B:

TO ALLOW FOR THE TRADITIONAL SUMMER HIGH AND CHRISTMAS LOW TO THE MARKET THE SWINEX FEEDER PRICE WILL BE ADJUSTED WEEKLY AS FOLLOWS.

WEEK	ADJUSTMENT FACTOR
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1	105%
2	108%
3	107%
4	108%
5	109%
6	110%
7	111%
8	112%
9	112%
10	112%
11	111%
12	110%
13	109%
14	108%
15	107%
16	106%
17	105%
18	104%
19	103%
20	102%
21	101%
22	100%
23	99%
24	98%
25	97%
26	96%

WEEK	ADJUSTMENT FACTOR
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27	95%
28	94%
29	93%
30	92%
31	91%
32	90%
33	89%
34	88%
35	88%
36	89%
37	89%
38	90%
39	91%
40	92%
41	93%
42	94%
43	95%
44	96%
45	97%
46	96%
47	99%
48	100%
49	101%
50	102%
51	103%
52	104%

APPENDIX C:

DEFINITION OF "COMPETITIVELY PRICED" AS IT PERTAINS TO NUTRITION IN WEANER PIG AGREEMENT PAGE 7, SEC 14, PARAGRAPH 2.

THE NUTRITION WILL BE DETERMINED TO BE COMPETITIVE AS LONG AS THE COOP CAN PROVIDE NUTRITION THAT IS EQUAL TO, OR BETTER THEN WHAT THE BUYER CAN OBTAIN ELSEWHERE BASED ON THE TOTAL COST TO PRODUCE A POUND OF PORK. THE TOTAL FEED COST WILL BE DETERMINED BY THE FOLLOWING FORMULA:

$$\frac{\text{TOTAL FEED COSTS} + (\text{NON-FEED COSTS/DAY} \times \# \text{ OF DAYS FED})}{\text{POUNDS OF PORK PRODUCED}}$$

THE COOP MUST HAVE A HIGHER TOTAL COST TO PRODUCE A POUND OF PORK DETERMINED IN TWO (2) CONSECUTIVE FEED TRIALS BEFORE THE COOP IS CONSIDERED NON-COMPETITIVE. THE COOP WILL HAVE RIGHT OF REFUSAL ON THE CRITERIA USED TO SET UP SAID FEED TRIALS. IF THE COOP DOES LOSE TWO (2) CONSECUTIVE FEED TRIALS THE COOP WILL HAVE THE RIGHT TO RUN TRIALS WHENEVER NEW PRODUCTS ARE INTRODUCED, OR WITHIN TWELVE (12) MONTHS FROM THE DATE OF THE LAST TRIAL WHICHEVER IS LESSER. THE BUYER WILL BE LIMITED TO RUNNING TRIALS ON NO MORE THEN 25% OF PIGS PURCHASED PER YEAR.